

B005 Application of Construction

ISSUED: June 4, 1987
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Louisville, Kentucky

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**B5. APPLICATION OF CONSTRUCTION
(TERMINATION AND ADDITIONAL CHARGES)**

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B5. APPLICATION OF CONSTRUCTION (TERMINATION AND ADDITIONAL CHARGES)

B5.1 General

- A. All rates and charges quoted in other sections of this Tariff provide for the furnishing of service when suitable facilities are available or where the construction of the necessary facilities does not involve unusual costs.
- B. When facilities are furnished at remote or isolated locations, when unusual costs are involved or when the revenue to be derived from the service is not, in the opinion of the Company, sufficient to warrant the Company's assuming the unusual costs of providing the necessary construction, the customer may be required to pay additional charges depending upon the circumstances in each case.
- C. Definition Of Additional Charges
 1. Additional charges are those applicable under special conditions as hereinafter set forth and they are in addition to other charges specified in this Tariff.
 2. Additional charges may be initial nonrecurring charges, recurring monthly charges, termination charges or a combination of these types of charges. The types of additional charges applied in a specific case are determined by the Company with recurring charges being converted to nonrecurring charges and vice versa using standard time and cost of money computations.
 3. Termination charges applicable to facilities subject to construction charges represent the present worth, at the time of disconnection, of the future monthly payments due under the contract.
 4. In the event a customer enters into a termination charge agreement and:
 - a. All services involved in the construction are discontinued within the contract period a termination charge applies to the extent there is no other requirement for the constructed facilities in place. Termination charges are computed as described in 3. preceding.
 - b. One or more, but not all, of the services involved in the construction are discontinued within the contract period, the lower of the following charges applies during the unexpired portion of the contract period for each such discontinued service:
 - (1) The monthly charge for each local channel, interexchange channel and intraexchange channel section of each basic service which has been provided in whole or in part by construction, or
 - (2) The monthly charge for the constructed portion of such channel terminal, local channel, interexchange channel or intraexchange channel section. In determining the charge for such constructed portion, rates and mileage measurements are applied between the points of termination of such portion of each basic service.

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B5. APPLICATION OF CONSTRUCTION (TERMINATION AND ADDITIONAL CHARGES)

B5.1 General (Cont'd)

C. Definition Of Additional Charges (Cont'd)

4. In the event a customer enters into a termination charge agreement and: (Cont'd)

c. Type of Service in Constructed Section

Interexchange Channel

Channel Terminal and Local Channel

Type 1101 & 1102

Basic Service

Series 1000 (half duplex)

Types 1010, 1011, 1050, and 1051
(duplex and half duplex)

Series 1000 (half duplex)

Types 2001, 2003, 2048, 2050,
2052, and 2053
(duplex and half duplex)

Series 2000

All other services

Same as the type of
service in constructed
section only.

Intraexchange Channel

All Services

Basic Service

Same as the type of
service in constructed
section only.

- D. Where a customer is so located that it is necessary to use private right of way to furnish a service and the Company is unable to obtain the required right of way without cost, the customer may be required to pay the entire costs involved in securing such right of way.
- E. When attachments are made to poles of other companies, the customer may be required to pay the additional cost to the Company of such attachments.
- F. Except as specified in B5.3. and the conduit or pipe provided by the customer as in B5.2.C. following, title to all construction provided wholly or partly at a customer's expense is vested in the Company and the customer may be required to execute a conveyance thereof in favor of the Company.
- G. Construction charges are payable at the time application for service is signed or when the account is rendered, at the option of the Company.
- H. Definition Of Cost

Special equipment and arrangements requested by customers are furnished wherever possible, if not detrimental to the service.

For special equipment and arrangements furnished in connection with private line service, charges equivalent to the estimated cost of furnishing such equipment or arrangements apply. Estimated costs are computed as follows.

The word "cost" when used in this Tariff refers to estimated cost involved in providing facilities for telephone service or equipment. Cost consists of the following items to the extent that they are applicable:

1. Cost of maintenance.
2. Cost of operation.
3. Depreciation on the estimated cost installed of any facilities utilized, based on the anticipated useful service life of the facilities with an appropriate allowance for the estimated net salvage.
4. Administration and taxes on the basis of reasonable average charges for these items.

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B5.1 General (Cont'd)

H. Definition Of Cost (Cont'd)

5. Any other specific items of expense associated with the particular situation.
6. A reasonable amount, computed on the estimated cost installed of any facilities provided, for return and contingencies.

Estimated cost installed as mentioned in B5.1.H.3. and 6. preceding includes the cost of equipment and material specifically provided or used plus the estimated cost of installing, including engineering, labor, supervision, transportation, rights-of-way and any other investment items. "The cost installed" and "accounting costs" will, at the request of a subscriber, be recorded as actual costs by means of Keep Cost Authorization assigned to a particular project.

B5.2 Special Type Of Construction

- A. Where a special type of construction is necessary because of unusual conditions or is desired by a customer, as when underground construction is desired in places where aerial facilities would normally be used to reach customer's premises, or when conditions imposed by a customer make the installation exceptionally expensive, an additional charge will be made equal to the difference between the cost of the special type of construction and the cost of normal construction.
- B. Where facilities are changed from aerial to underground, the customer is charged the cost of the underground facilities and for the cost of dismantling and moving the aerial facilities. Repair or replacements of cable in conduit or trench made necessary by damages caused by the customer or his representatives will be made only at the customer's expense.
- C. Construction Provided By Connecting Companies Or Other Participating Companies

The charges to the customer for special construction provided by a connecting or other participating company of the Company will be based on the charges of the connecting or other participating company.

B5.3 Entrance And Local Distribution Facilities

A. Pole Line Facilities

1. Poles to be used in serving only a particular customer and located on his premises shall in all cases be furnished and maintained by him or at his expense and shall conform to the Company's specifications. Ownership of such poles on private property is vested in the customer and necessary pole replacements shall be made by him.
2. Poles on private property to be used to serve more than one customer or to be used as a part of the standard distributing plant serving customers in general are furnished, maintained and owned by the Company, subject to such construction charge as may be applicable.

B. Underground Facilities

1. Underground facilities consist either of underground conduit in which the underground cable is placed or, in lieu of conduit, where in the opinion of the Company conditions are suitable, of only excavation and fill-in in which buried underground wires or cables are placed, on private property required to serve one building or group of buildings. Underground conduit is provided as specified in 2. following. Underground facilities without conduit are provided as specified in 3. following.
2. The customer or applicant is responsible for providing, at his own expense, all conduit located on private property including all conduit located on easements or rights-of-way, excluding public streets and highways, dedicated to public use but maintained by the customer or applicant. The Company may also require that a pull wire be provided by the customer or applicant for the purpose of placing wire or cable.

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B5.3 Entrance And Local Distribution Facilities (Cont'd)

B. Underground Facilities (Cont'd)

2. (Cont'd)

The Company will place its underground cables in conduit provided and maintained by the customer or others if in its opinion the conduit is properly located and suitable for such use. Permission to use such conduit must be furnished to the Company free of cost.

3. Where the general distribution facilities are underground and when the ground condition in the opinion of the Company permits, the Company will place cable and wire facilities underground without use of conduit. A construction charge based on cost applies for excavation and fill-in except where the excavation and fill-in is provided and maintained by the customer or others and the construction is in accordance with the specifications of the Company. Permission to use the trench must be furnished to the Company free of charge. The Company may, after notice in writing to the customer, without incurring any liability thereby, discontinue furnishing service in this manner, if in its opinion the trench is not properly maintained or used in accordance with accepted safety standards.

C. Cable And Wire Facilities

1. Entrance cable and wire facilities in excess of 700 feet will be provided on the basis of one of the following plans:
 - a. A nonrecurring charge and a reasonable and proper monthly carrying charge based on cost. Under this plan, where a portion of the facilities must be replaced at a later date due to having served its useful life, charges apply to the replacing of facilities as if such facilities were installed new and appropriate adjustments are made in the monthly carrying charges.
 - b. A reasonable and proper carrying charge based on cost with an initial service period selected by the customer but not to exceed fifteen years. Minimum revenue guarantees may apply and termination charges also apply for early discontinuance.
2. Ownership and maintenance of cable and wire facilities provided with or without construction charges is vested in the Company.

B5.4 Reserved For Future Use

B5.5 Reserved For Future Use

B5.6 Reserved For Future Use

B5.7 Reserved For Future Use

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